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BEFORE THE ARIZONA CORPORATION COMMISSION

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Commissioner - Chairman
JIM IRVIN
Commissioner
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Commissioner

AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF COMPETITION IN THE) DOCKET NO. RE-00000C-94-0165
PROVISION OF ELECTRIC SERVICES) DOCKET NO. ~~RE-00000C-94-0165~~
THROUGHOUT THE STATE OF ARIZONA.)
COMPETITION RULES.) **NOTICE OF FILING**

Navopache Electric Cooperative ("Navopache"), pursuant to R14-2-1604(B)(4) of
the proposed Retail Electric Competition Rules, hereby files its residential phase-in proposal.

RESPECTFULLY SUBMITTED this 15th day of September, 1999.

MARTINEZ & CURTIS, P.C.

By

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The original and ten (10) copies of
the foregoing are filed this 15th
day of September, 1999 with:

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NAVOPACHE ELECTRIC COOPERATIVE RESIDENTIAL PHASE-IN PROGRAM

Pursuant to R14-2-1604, Navopache Electric Cooperative, Inc. (Navopache) hereby submits its proposal for implementing a residential phase-in program.

Our program is based on the following data and assumptions:

- Navopache's 1995 system peak demand was 49,569 kilowatts.
- Navopache will make 9,914 kW of load available for competition during the period from the start of competition through December 31, 2000.
- In December 1998, Navopache served 26,546 residential customers. The phase-in schedule is as follows:

☞ Starting October 1, 1999:	1,327 residential customers
☞ Starting January 1, 2000:	1,659 residential customers
☞ Starting April 1, 2000:	1,991 residential customers
☞ Starting July 1, 2000:	2,323 residential customers
☞ Starting October 1, 2000:	2,655 residential customers
☞ Starting January 1, 2001:	all residential customers

- Based on experience in California, Navopache does not expect its residential reservation to be fully subscribed. In California, as of July 31, 1999, only 1.2 percent of residential customers were obtaining power supplies competitively. If 1.2 percent of Navopache's residential customers elected to receive their power supply from competitors, only 319 customers would leave Navopache for competitive power suppliers.
- Based on preferences stated by Energy Service Providers in Arizona, most competitive power suppliers will concentrate on commercial and industrial consumers at least initially. This, too, suggests that residential participation in the competitive market will be low.

The Navopache program will consist of the following specific actions:

- a. Process for customer notification about the residential phase-in program.** As a member/customer owned utility, Navopache maintains frequent contact with its owners. These contacts include a regular newsletter in which Navopache provides information to consumers regarding activities that affect their cooperative including the development of retail competition. Navopache will utilize its newsletter to notify customers of the availability of the residential phase-in program. This direct notification may be supplemented by information pamphlets that will be developed through a cooperative effort with other Arizona utilities.
- b. Selection and tracking mechanism for customers on a first-come, first-served basis.** As part of the customer notification process, Navopache will make available an application form that customers can obtain from its office. We will also provide the customer with forms that will authorize release of billing histories or other

information to energy service providers (ESPs). The application packet will contain information on terms and conditions regarding the services that Navopache will provide to customers electing to participate in the phase-in program, including a schedule of fees for changing service or transferring between ESPs in accordance with A.A.C. R14-2-203(D)(1). Customers will return the application to the main Navopache office or a Post Office Box address where the applications will be date stamped. In the unlikely event that the Navopache commitment for the quarter is filled, a waiting list will be established to begin a priority list for the next quarter unless the Navopache Board of Directors elects to open competition to more residential customers than the minimum required under A.A.C. R14-2-1604(B).

- c. **Customer notification process and other education and information services to be offered.** Eligible customers will be notified of their selection as soon as their qualifications are verified but in any event no less than 30 days prior to the start of their eligibility period. If an eligible customer does not exercise the option to obtain energy from an ESP within 90 days of notification that the customer became eligible, the customer will continue to receive service under Navopache's Standard Offer tariff. The customer must then re-apply for selection in a future quarter. Customers on waiting lists will be so notified and will be contacted when they become eligible. As noted in paragraph a above, Navopache will utilize its monthly newsletter to provide informational and educational materials and will supplement this with additional information, such as material developed and provided by the Commission.
- d. **Load profiling methodology and load profiles.** Navopache has no useful load profile data at present. It plans to use data from Arizona Public Service Company's northern division or load profile data from another similar utility.
- e. **Method for Calculating Reserved Load.** Load reserved for residential customers will be determined from the load profile information developed in item d above and multiplied by the number of residential customers indicated above. For example, if residential use at Navopache's system peak averages 2 kW, Navopache would have to reserve about 5.3 MW for residential customers at the end of the phase-in period.¹ Again, Navopache does not expect that residential demand to switch power suppliers will approach the maximum in the phase-in period.

Navopache reserves the right to modify the above plan as the Commission's Rules are implemented and will file amendments to this plan as appropriate and as approved by its Board of Directors.

¹ Navopache's peak demand in 1998 was 47,803 kW and during the peak month, Navopache had 29,583 customers. Average kW per customer was 1.6 kW.